

**REMARKS**

In light of the above amendments and following remarks, reconsideration and allowance of this application are respectfully requested.

It is submitted that these claims, as originally presented, are patentably distinct over the prior art cited by the Examiner, and that these claims were in full compliance with the requirements of 35 U.S.C. §112. Changes to these claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. §101, §102, §103 or §112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled.

Claims 2-7, 10-16, and 18 and amended claims 1, 8, 9, and 17 are in this application.

At paragraph 4 of the outstanding Office Action of August 13, 2003, the Examiner rejected claims 1-8 under 35 U.S.C. §102(e) as being anticipated by Li et al. (U.S. Patent No. 6,473,528) in view of Castelli et al. (U.S. Patent No. 6,021,224). Applicants respectfully traverse the rejection.

Independent claim 1, as amended herein, recites in part as follows:

“A wavelet inverse transform device...wherein said decoding object coefficient extracting means extracts transform coefficients outside said specified area **that are necessary for decoding at least one of said transform coefficients inside said specified area.**”

(Underlining and bold added for emphasis.)

It is respectfully submitted that the references applied by the Examiner do not teach the above-recited feature of amended independent claim 1.

Li teaches that with padding, the image is segmented into fixed size blocks and that only those blocks that contain at least one object pixel are encoded. Therefore, for blocks that are not fully occupied by the object, the remaining pixels are padded with nearby object pixels. (Column 1, lines 25-32) As a result, the whole block, and thus every transform coefficient of that block is encoded. This increases the number of transform coefficients to be encoded and thus the transform coding efficiency is decreased. In contrast, amended independent claim 1 teaches that only transform coefficients that are necessary for decoding are encoded, not the entire block containing all the transform coefficients. The limiting feature of amended independent claim 1 is that only certain surrounding transform coefficients of a picture that are necessary and not a whole block of transform coefficients are utilized for encoding the picture. Castelli does not teach padding whatsoever. Therefore amended independent claim 1 is believed to be distinguishable from the applied combination of Li and Castelli.

For reasons similar to those described above with regard to independent claim 1, amended independent claim 8 is believed to be distinguishable from the applied combination of Li and Castelli.

Claims 2-7 depend from claim 1, and, due to such dependency, are also believed to be distinguishable from the applied combination of Li and Castelli for at least the reasons previously described.

Applicants therefore respectfully request that the rejection of claims 1-8 under 35 U.S.C. §102(e) be withdrawn.

At paragraph 5 of the outstanding Office Action of August 13, 2003, the Examiner rejected claims 9-18 under 35 U.S.C. §103(a) as being unpatentable over Li and Castelli in view of Lee et al. (U.S. Patent No. 5,933,535). Applicants respectfully traverse the rejection.

Amended independent claims 9 and 17 include features similar to those of claim 1, and as such, are believed to be distinguishable from the applied combination of Li and Castelli. The Examiner does not rely on Lee to overcome the above-described deficiencies of Li and Castelli.

Accordingly, amended independent claims 9 and 17 are believed to be distinguishable from the applied combination of Li, Castelli and Lee.

Claims 10-16 and 18 depend from one of amended independent claims 9 and 17, and, due to such dependency, are also believed to be distinguishable from the applied combination of Li, Castelli and Lee.

Applicants therefore respectfully request that the rejection of claims 9-18 under 35 U.S.C. §103(a) be withdrawn.

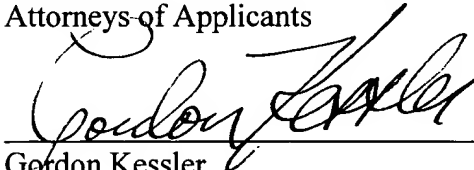
It is to be appreciated that the foregoing comments concerning the disclosures in the cited prior art represent the present opinions of the Applicants' undersigned attorney and, in the event, that the Examiner disagrees with any such opinions, it is requested that the Examiner indicate where, in the reference or references, there is the basis for a contrary view.

In view of the foregoing amendments and remarks, it is believed that all of the claims in this application are patentable over the prior art, and early and favorable consideration thereof is solicited.

Please charge any fees incurred by reason of this response and not paid herewith to  
Deposit Account No. 50-0320.

Respectfully submitted,  
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